

# CANADA FOUNDRIES & FORGINGS, LIMITED

NAME CHANGED 1966, TO CANADA FORGINGS LTD

APR 12 1961

# Annual Report 1960

The logo is a diamond shape with a thick black border. Inside the diamond, the letter 'G' is centered and rendered in a large, bold, black font. The 'G' is stylized with a vertical stem and a curved hook on the right side.

## HEAD OFFICE

## BROCKVILLE

## ONTARIO

# CANADA FOUNDRIES & FORGINGS, LIMITED

## Annual Report of the Board of Directors

Your Directors submit herewith the Forty-ninth Annual Report of your Company's operations, with balance sheet and Profit and Loss account to December 31st, 1960.

Loss for the year amounted to \$143,766.00.

Almost all of the traditional hardware lines, produced by our consumer goods division, are vulnerable to overseas competition, as previously reported and, because there does not appear to be hope of stemming the flood of these importations in the foreseeable future, it is with regret that your Directors have decided to discontinue the production of the lines which have become a burden to our overall operations.

It is abundantly clear that these products will continue to be subjected to competition from overseas which frequently represent selling prices at almost the cost of raw materials in Canada. While this condition has existed for the past few years, it has now reached proportions where it is no longer realistic to attempt to produce these lines competitively.

The results for 1960 reflect the non-recurring liquidation of inventories at prices compatible with overseas competition and this conversion of inventory should be completed during the first half of 1961.

During 1960, a complete revamping of the operations at the Brockville division has occurred, to produce efficiently products which are not as vulnerable to overseas competition.

In an effort to participate in the growing demand for Central Heating Equipment in the United Kingdom, your Company has established two United Kingdom subsidiaries.

The overall profit results of your Forging units were reduced during the last half of 1960, due to the general falling off in demand for this class of product.

Working Capital at December 31st, 1960, is \$1,246,346.00. Capital Expenditures during the year were \$80,598.75. Provision for depreciation for the year 1960 was \$87,219.00.

Despite disappointing operating results, there is an improved ratio of current assets to current liabilities.

The Directors wish to express their thanks to the officers and employees for continued loyal and efficient services rendered by them during the year.

The books and accounts of the Company were audited during the year by Messrs. Creak, Cushing & Hodgson, Chartered Accountants, of Montreal, and their report is presented herewith.

On behalf of the Board,

W. D. WEIR,  
President.

22nd February, 1961.

## Auditors' Report

22nd February, 1961.

To the Shareholders,

Canada Foundries & Forgings, Limited.

We have examined the balance sheet of Canada Foundries & Forgings, Limited as at 31st December 1960, and related statements of profit and loss and surplus for the year ended that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, based on such examination, the accompanying balance sheet and related statements of profit and loss and surplus are properly drawn up so as to exhibit a true and correct view of the financial position of the company as at 31st December 1960, and the results of its operations for the year ended that date, according to the best of our information, the explanations given to us and as shown by the books of the company.

CREAK, CUSHING & HODGSON,  
Chartered Accountants, Auditors.

# CANADA FOUNDRIES & FORGINGS, LIMITED

## Balance Sheet

AS AT 31st DECEMBER 1960

ASSETS	LIABILITIES
<b>Current</b>	<b>Current</b>
Cash on hand and in Bank ..... \$ 3,655	Bank Loan—Secured ..... \$ 874,879
Investments in Government of Canada and Provincial Government bonds at cost..... 301,105	Accounts Payable ..... 333,796
(Market value \$266,350)	Accrued Charges and Wages ..... 13,302
Accounts Receivable, less provision for doubtful accounts ..... 760,320	Taxes Payable ..... 13,002
Stock of raw materials, supplies, goods in process and finished goods, as determined and certified by responsible officials of the Company and valued at the lower of cost or market less provision for future decline in inventory values ..... 1,416,245	
	1,234,979
2,481,325	
Prepaid Expenses and Deferred Charges ..... 49,898	
<b>Fixed</b>	<b>Capital</b>
Land, buildings, machinery and equipment, etc., as appraised by Canadian Appraisal Company in 1912, with subsequent adjustments; additions to date at cost ..... \$2,773,346	Authorized 80,000 Class "A" shares (redeemable) without nominal or par value
Less Accumulated depreciation ..... 1,670,921	160,000 Common shares without nominal or par value
1,102,425	
NOTE: The net property value subject to future depreciation for tax purposes is approximately \$400,158.	
Goodwill ..... 1	<b>Issued</b>
	38,400 Class "A" shares (redeemable) without nominal or par value ..... \$1,344,000
	22,596 shares purchased and held for cancellation to 31st December 1960 ..... 790,860
	15,804 553,140
	38,400 Common shares without nominal or par value ..... 240,000
	793,140
	Capital Surplus arising under Section 61 of the Companies Act (Canada) from purchases for cancellation of Class "A" shares ..... 790,860
	Surplus ..... 814,670
	<u>\$3,633,649</u>

Signed on behalf of the Board,

W. D. WEIR  
G. T. FULFORD } Directors

Signed for identification with our report of this date,  
CREAK, CUSHING & HODGSON,  
Chartered Accountants,  
22nd February, 1960. Auditors.

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960

Operating loss before depreciation .....	\$ 23,169
Deduct: Income from Investments .....	11,182
	<u>11,987</u>
Add: Depreciation .....	\$ 87,219
Salaries paid Executive Officers and Directors .....	40,800
Fees paid to other Directors .....	3,000
Legal Fees .....	760
	<u>131,779</u>
Loss for year transferred to Surplus Account .....	<u>\$ 143,766</u>

### SURPLUS ACCOUNT

Balance 1st January 1960 .....	\$ 985,797
Loss for year transferred from Profit and Loss Account .....	143,766
	<u>842,031</u>
Deduct: Dividends paid on Class "A" shares .....	\$ 19,013
Appropriation re purchase for cancellation of Class "A" shares (redeemable) without nominal or par value .....	34,642
	<u>53,655</u>
Profit on sales of fixed assets .....	788,376
	<u>26,294</u>
Balance 31st December 1960, transferred to Balance Sheet .....	<u>\$ 814,670</u>

# CANADA FOUNDRIES & FORGINGS, LIMITED

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## OFFICERS AND DIRECTORS

1960

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**President**

**W. DESMOND WEIR**

**Vice-President**

**GEORGE T. FULFORD**

**General Manager**

**ALBERT L. DEAN**

**Secretary-Treasurer**

**RICHARD C. PAUL**

**Directors**

<b>W. DESMOND WEIR</b>	<b>GEORGE T. FULFORD</b>
<b>JOHN T. STEVENS</b>	<b>DUNCAN I. McNEILL, Q.C.</b>
<b>RICHARD C. PAUL</b>	<b>ALBERT L. DEAN</b>
<b>R. deWOLFE MacKAY, Q.C.</b>	

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## MANUFACTURING PLANTS

**BROCKVILLE, ONT.**

**WELLAND, ONT.**

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## SALES OFFICES

**MONTREAL, QUE.**

**WINNIPEG, MAN.**

**TORONTO, ONT.**

**DETROIT, U.S.A.**

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## PRODUCTS

**SHELF AND HEAVY HARDWARE • LAWN MOWERS • PUMPS  
• HAMMERS • AXES • SLEDGES • RESIDENTIAL HEATING  
AND AIR CONDITIONING • HEAVY AND DROP FORGINGS IN CARBON  
AND ALLOY STEEL FOR MACHINERY, LOCOMOTIVES, AIRCRAFT,  
AUTOMOTIVE VEHICLES, SMALL ARMS, AGRICULTURAL IMPLE-  
MENTS, PAPER MILLS, MINES, CEMENT MILLS, SHIPS, HYDRO  
ELECTRIC EQUIPMENT, ETCETERA.**